

Message Text

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C O N F I D E N T I A L GENEVA 6232

FROM ECOSOC DEL

E.O. 11652: GDS

TAGS: EGEN CIEC

SUBJECT: G-77 VIEWS ON CIEC AND THE BHUTTO PROPOSAL

REF: STATE 186433

1. SUMMARY: A VARIETY OF G-77 COMMENTS RECEIVED BY USDEL ECOSOC ON THE REASONS FOR THE CIEC BREAKDOWN INDICATE THAT THE WORDING OF THE WORK PROGRAMS WAS THE IMMEDIATE PRETEXT BUT THAT THE BASIC CONTEXT FOR A DEADLOCK HAD ALREADY BEEN CREATED. WE REPORT HERE VARIOUS THESES WE HAVE HEARD FROM G-77 SOURCES, INCLUDING FRUSTRATION OVER CIEC, ELIPSE BY UNCTAD IV, PEREZ GUERRERO'S G-77 CREDENTIALS THE G-19/G-77 RELATIONSHIP, U.S. ELECTIONS, ETC. WE GATHER THERE CONTINUE TO BE LITTLE POSITIVE RESPONSE TO BHUTTO'S THIRD WORLD SUMMIT PROPOSAL, DESPITE THE PAKISTANI DELEGATION'S VIGOROUS EFFORTS TO PROVIDE THE RATIONALE BY PAINTING A PICTURE OF GLOOM. SEEMINGLY INVOLVED ARE BASIC SCEPTICISM AND RESERVATIONS (INCLUDING THOSE OF THE NON-ALIGNED LEADERSHIP) PLUS A "WAIT AND SEE" ATTITUDE

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VIS-A-VIS THE COLOMBO AND MEXICO CITY CONFERENCES. END SUMMARY.

2. IN RESPONSE TO REFTEL QUERY, WE DO NOT HAVE A VERY CLEAR OR COMPLETE PICTURE FROM HERE REGARDING G-77 VIEWS ON THE UNDERLYING REASONS FOR THE CIEC IMPASSE. THE SAME GOES FOR G-77 ATTITUDES TOWARD BHUTTO'S SUMMIT PROPOSAL. WE HAVE, NEVERTHELESS, PICKED UP A NUMBER OF COMMENTS AND IMPRESSIONS IN BOTH ABIDJAN AND GENEVA WHICH MAY BE OF INTEREST.

3. THE ONE POINT THAT SEEMS TO COME THROUGH THE VARIOUS COMMENTS ON CIEC IS THAT THE ACTUAL DEADLOCK OVER THE WORDING OF WORK PROGRAMS WAS THE SURFACE REASON -- OR AT LEAST THE IMMEDIATE PRETEXT -- SINCE THE CONTEXT FOR A STALEMATE HAD ALREADY BEEN CREATED. THESE ARE THE PRINCIPAL REASONS (SOME UNDOUBTEDLY SPECULATIVE) WE HAVE HEARD:

A. THERE WAS A GENERALIZED FEELING OF FRUSTRATION AT THE LACK OF ANY SIGN OF CONCRETE BENEFIT FOR THE LDCS COMING OUT OF THE CIEC EXERCISE.

B. UNCTAD IV TOOK MUCH OF THE HEART OUT OF CIEC'S WORK PROGRAM BY ESTABLISHING WORK PROGRAMS ON COMMODITIES AND ON SCIENCE AND TECHNOLOGY, LEAVING CIEC PRINCIPALLY WITH THE DEBT PROBLEM ON WHICH THE LDCS SAW NO COMMITMENT BY MAJOR WESTERN COUNTRIES -- THUS ASSURING A FIGHT OVER THE WORK PROGRAM ON DEBT. (ENERGY WORK TENDS TO BE DISMISSED AMONG THE G-77 MEMBERS WE DEAL WITH AS OF LITTLE INTEREST AND UNLIKELY TO GIVE THEM ANYTHING OF VALUE.)

C. PEREZ GUERRERO IS IN SOME DIFFICULTY, HAVING COME HERE FROM PARIS TO GIVE THE G-77 A FAIRLY OPTIMISTIC ASSESSMENT FOLLOWING THE CIEC HIGH LEVEL OFFICIALS MEETING PRIOR TO THE COMMISSION MEETINGS WHICH ENDED IN DEADLOCK. HIS REPORT (AS WELL AS GAMANI COREA'S REPORT ON UNCTAD) MET WITH A COLD RECEPTION BY MOST OF THE G-77 WHO FELT HE WAS DECIDEDLY TOO OPTIMISTIC. AS A RESULT PEREZ-GUERRERO PROBABLY CONCLUDED HE HAD TO BE TOUGH TO PRESERVE HIS CREDENTIAL WITH THE G-77. MOST OF OUR CONTACTS BELIEVE THE ARGUMENT ON MAINTENANCE OF VALUE WAS A SECONDARY CONSIDERATION IN PRODUCING THE PARIS DEADLOCK AT THIS STAGE.

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D. THE G--19 HAD TO SHOW THEIR METTLE ON THE EVE OF THE COLOMBO NON-ALIGNED CONFERENCE AND THE MEXICO CITY G-77 CONFERENCE.

E. SOME MEMBERS OF THE G-77 HAVE CONCLUDED THAT NOT MUCH MORE CAN HAPPEN IN CIEC THIS YEAR NOT ONLY BECAUSE OF THE UNCTAD WORK PROGRAM BUT ALSO BECAUSE OF THE U.S. ELECTIONS. (AS A MATTER OF FACT, THE CANADIAN REP, WHO CAME TO THIS

ECOSOC SESSION FROM THE CIEC HIGH LEVEL OFFICIALS MEETING, HAS ATTEMPTED TO CONVINCE SELECTED MEMBERS OF THE G-77 NOT TO EXPECT TOO MUCH OF CIEC BEFORE EARLY NEXT YEAR BECAUSE OF BOTH THE U.S. AND GERMAN ELECTIONS).

F. ONE G-77 DELEGATE SPECULATED THAT THE OPEC COUNTRIES ARE NOT ANXIOUS TO PIN OUT CIEC SINCE IT IS DIFFICULT FOR THEM TO RAISE OIL PRICES SUBSTANTIALLY WHILE CIEC GOES ON.

4. COMMENT: WHICH OF THESE EXPLANATIONS ARE FUNDAMENTAL, WHICH ARE SUPERFICIAL, AND WHICH ARE MADE UP OUT OF WHOLE CLOTH WE HERE CANNOT JUDGE -- BUT WE DO THINK THE DYNAMICS OF THE G-19/G-77 RELATIONSHIP, INCLUDING PEREZ-GUERRERO'S POSITION, IS AN IMPORTANT ELEMENT.

5. ON BHUTTO'S THIRD WORLD SUMMIT PROPOSAL, WE GET THE GENERAL IMPRESSION THERE CONTINUES TO BE LITTLE POSITIVE RESPONSE SO FAR FROM G-77 COUNTRIES. SOME OF OUR CONTACTS ARE FRANKLY CYNICAL. AS PREVIOUSLY REPORTED, WE HAD THIS IMPRESSION DURING THE ABIDJAN PORTION OF THIS ECOSOC SESSION. PAKISTAN TRIED TO BUILD INTO THE G-77 DRAFT "DECLARATION OF ABIDJAN" (LATER CONVERTED INTO A G-77 POSITION PAPER) LANGUAGE ENDORSING THE BHUTTO SUMMIT PROPOSAL ALONG WITH THE NON-ALIGNED COLOMBO CONFERENCE AND THE MEXICO CITY G-77 CONFERENCE. THIS MET WITH A COLD SHOULDER FROM OTHER G-77 MEMBERS, RESULTING IN A BLAND SENTENCE NOTING THE INTENTION TO HOLD FUTURE (UNNAMED) MEETINGS AT VARIOUS LEVELS INCLUDING THE HIGHEST LEVEL. THERE WAS SPECULATION THAT ESTABLISHED NON-ALIGNED LEADERS DID NOT WANT TO SEE THEIR COLOMBO CONFERENCE UPSTAGED, NOR DID THEY WANT TO SEE BHUTTO PREEMPT A POSITION OF LEADERSHIP.

6. IN A RECENT CONVERSATION THE MEXICAN REP TO ECOSOC, CONFIDENTIAL

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WHO ALSO CONFIRMED THE LACK OF RESPONSE TO BHUTTO'S INITIATIVE, CONSIDERED IT TO BE NON-COMPETITIVE WITH THE MEXICO CITY CONFERENCE, WHICH HE SAID WILL REMAIN WITHIN THE PLANNED FRAMEWORK OF ECONOMIC AND TECHNICAL COOPERATION AMONG DEVELOPING COUNTRIES. IN HIS VIEW THE REAL DECISION ON BHUTTO'S PROPOSAL WILL BE MADE AT COLOMBO.

7. ON THE OTHER HAND, ANOTHER LATIN AMERICAN AMBASSADOR UNDERSTOOD THAT THE MEXICO CITY CONFERENCE WOULD INDEED GO BEYOND THIS FRAMEWORK BY TAKING UP THE WHOLE QUESTION OF STRENGTHENING G-77 INSTITUTIONAL AND TACTICAL SOLIDARITY, INCLUDING THE POSSIBILITY OF ESTABLISHING A PERMANENT G-77 SECRETARIAT (PROSPECT THIS PARTICULAR AMBASSADOR DID NOT RELISH). ALSO CONFIRMING THE ABSENCE OF MUCH DISCUSSION HERE OF THE BHUTTO PROPOSAL, HIS VIEW WAS THAT A DECISION ON IT WOULD

HAVE TO AWAIT BOTH THE COLOMBO AND MEXICO CITY CONFERENCE.

8. FROM ABIDJAN WE REPORTED SPECULATION THAT THE HARD, PESSIMISTIC LINE BEING TAKEN BY THE PAKISTANI DELEGATION WAS DESIGNED TO ESTABLISH THE THESIS OF WESTERN UNRESPONSIVENESS AND HENCE TO HELP PROVIDE THE RATIONALE FOR THE SUMMIT. THE PAKISTANI DELEGATION DURING THE GENEVA PART OF THIS ECOSOC SESSION HAS CONTINUED TO PAINT A PICTURE OF GLOOM. NONE OF THE FOREGOING, HOWEVER, HAS CAUSED THE G-77 HERE TO PART COMPANY WITH THE PAKISTANIS ON THE BASIC NORTH-SOUTH SITUATION, AND THE PAKISTANI DELEGATION CONTINUES TO PLAY A PROMINENT ROLE IN VARIOUS INSSUES BEFORE THIS ECOSOC SESSION. NEVERTHELESS, A SENIOR INDIAN REPRESENTATIVE TOLD US HE HAD ADVISED THE PAKISTANI DELEGATION THEY WERE MAKING A TACTICAL MISTAKE IN CLAIMING THAT ABSOLUTELY NOTHING WAS BEING DONE FOR THE LDCS -- THE DEVELOPED COUNTRIES WERE LIKELY TO SAY THE HELL WITH IT. CATTO

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